

February 9, 1983

TO: DAVE CHANDLER
FROM: STAV PRODROMOU
SUBJECT: NAP MEETING

The attached agenda was presented to NAP for our 2/16 meeting. Please be prepared to present these items with typed handouts (marked CONFIDENTIAL) during this meeting. Much of it should be plucked from the GI/Playcable presentation.

Thank you.

SEP:hf

cc: Hugh Barnes
Josh Denham

RECEIVED
FEB 14 1983
D. CHANDLER

NORTH AMERICAN PHILLIPS/MATTEL

FEBRUARY 16, 1983

AGENDA

- INTELLIVISION II PRODUCT FAMILY
 - Master Component & Voice
 - Entertainment Computer System
 - System Changer
- INTELLIVISION III PRODUCT FAMILY
 - Improved Graphics, Sound, Control
 - Future Peripherals
 - Videodisk
- VIDEOTEX/TELETEXT ACTIVITY
 - Playcable
 - Pronto
 - Software Download
- AQUARIUS FAMILY
 - Computer
 - Peripherals
- FUTURE PRODUCT DIRECTIONS
 - Technology (84-85) Programs in Video, Audio
 - Home Networks; Standards
 - Technology Needs; Interface Standards

NORTH AMERICAN PHILLIPS/MATTEL

FEBRUARY 16, 1983

AGENDA

- INTELLIVISION II PRODUCT FAMILY
 - MASTER COMPONENT & VOICE
 - ENTERTAINMENT COMPUTER SYSTEM
 - SYSTEM CHANGER
- INTELLIVISION III PRODUCT FAMILY
 - IMPROVED GRAPHICS, SOUND, CONTROL
 - FUTURE PERIPHERALS
 - VIDEODISK
- VIDEOTEX/TELETEXT ACTIVITIES
 - PLAYCABLE
 - HOME BANKING AND RELATED SERVICES
 - SOFTWARE DOWNLOAD
- ACQUARIUS FAMILY
 - COMPUTER
 - PERIPHERALS
- FUTURE PRODUCT DIRECTIONS
 - TECHNOLOGY (84-85) PROGRAMS IN VIDEO, AUDIO
 - HOME NETWORKS; STANDARDS
 - TECHNOLOGY NEEDS; INTERFACE STANDARDS

INTELLIVISION II PRODUCT FAMILY

MODULAR SYSTEM

MASTER COMPONENT - AN ELEGANT VIDEO GAME SYSTEM

A LINE OF PERIPHERALS TO EXPAND ITS FUNCTIONS

CURRENT PRODUCTION MODELS

INTELLIVISION II MASTER COMPONENT

- SAME SOFTWARE LINE AS INTELLIVISION I
- COST REDUCED BY GREATER INTEGRATION
- AN ELEGANT VIDEO GAME
- A BASE FOR EXPANSION PERIPHERALS

INTELLIVOICE

- VOICE SYNTHESIS PERIPHERAL
- COMPATIBLE WITH INTELLIVISION I AND II
- USES LPC WHICH PERMITS
 - VOICE VARIETY
 - QUALITY VS CODE BIT RATE OPTIONS
- FIRST VIDEO GAME VOICE UNIT

ENTERTAINMENT COMPUTER SYSTEM

A PERIPHERAL FAMILY FOR INTELLIVISION

THE COMPUTER ADAPTER PROVIDES

2K BYTES ADDITIONAL RAM MEMORY

SOME RUDIMENTARY BASIC LANGUAGE CAPABILITY

AN EXPANSION BASE FOR

AN ALPHANUMERIC KEYBOARD

A MUSICAL KEYBOARD

PROGRAM EXPANDER (BASIC PLUS 16K RAM)

2 ADDITIONAL GAME HANDCONTROLLERS

AN RS 232 PORT

SCHEDULED FOR PRODUCTION EARLY THIS YEAR

SYSTEM CHANGER

AN ADAPTER WHICH PERMITS INTELLIVISION II TO
PLAY ATARI VCS COMPATIBLE SOFTWARE.

WILL MAKE INTELLIVISION CAPABLE OF PLAYING MORE
SOFTWARE THAN ANY OTHER VIDEO GAME ON THE MARKET.

SCHEDULED FOR PRODUCTION EARLY THIS YEAR.

INTELLIVISION III PRODUCT FAMILY

MASTER COMPONENT

IMPROVED GRAPHICS

HIGHER RESOLUTION GRAPHICS (320X192)

HIGH RESOLUTION ALPHANUMERIC (40X24)

REUSABLE MOVING OBJECTS

IMPROVED SOUND

BUILT-IN VOICE SYNTHESIS

SIX CHANNELS OF SOUND GENERATION

UPGRADED PERIPHERALS TO MATCH MASTER COMPONENT

ACCEPTS EXTERNAL VIDEO SIGNALS, SUCH AS FROM VIDEODISK

VIDEOTEX/TELETEx ACTIVITIES

SOFTWARE DOWNLOAD SYSTEMS

LOW COST SOFTWARE DISTRIBUTION

ADAPTERS PLUG INTO INTELLIVISION CARTRIDGE PORT

PLAYCABLE - OVER CABLE

ONE WAY SEQUENTIAL DATA STREAMS

IN LIMITED OPERATION

TELEPHONE DOWNLOAD

TWO-WAY, PAY PER PLAY

MINIMAL TIME ONLINE

HOME BANKING AND RELATED SERVICES

VIDEOTEX TERMINAL BEING DEVELOPED

MAKES INTELLIVISION INTO ALPHANUMERIC AND
LIMITED GRAPHICS TERMINAL

LOW INCREMENTAL COST

HOME BANKING IS LEADING APPLICATION

COST OF BANKING IS DRIVING FORCE
OTHER SERVICES MUST BE OFFERED TOO

TEST PARTICIPATION EXPECTED THIS YEAR

ACQUARIUS FAMILY

A COMPUTER "SMART ENOUGH TO BE SIMPLE"

Z80A BASED

4K RAM, EXPANDABLE TO 52K

HIGH RESOLUTION GRAPHICS

49 KEY KEYBOARD

A COMPLETE FAMILY OF PERIPHERALS

2 EXPANSION ADAPTERS

MINI FOR HAND CONTROLLERS AND MEMORY EXPANSION

MASTER FOR MORE GENERAL EXPANSION

40 COLUMN PRINTER

CASSETTE DRIVE

EXPANSION MEMORY MODULES (4K AND 16K)

DIRECT CONNECT MODEM

FUTURE PRODUCT DIRECTIONS

NEXT GENERATION SYSTEM UNDER DEVELOPMENT

FOR '84-'85 INTRODUCTION

ADVANCED VIDEO GAME AND VIDEOTEX GRAPHICS

VERSATILE AUDIO SYSTEM FOR

IMPROVED VOICE

MORE REALISTIC MUSIC AND NATURAL SOUNDS

HOME NETWORK DEFINITION

ORGANIZED MEANS OF INTERCONNECTING VARIOUS
EQUIPMENT IN THE HOME

HANDLES VIDEO AS WELL AS DIGITAL DATA

TECHNOLOGY NEEDS

STORAGE MEDIA

FOR DIGITAL, AUDIO AND VIDEO
IDEALLY ALL ON ONE MEDIUM

LOW COST PRINTERS

DOCUMENTATION

GRAPHICS

LETTER QUALITY

INTERFACE STANDARDS FOR THESE AND OTHER PERIPHERALS

Mattel

MEMO

DATE: March 7, 1983

TO: Josh Denham

FROM: Ronald M. Goldman

SUBJECT: North American Phillips Corporation
Confidential Disclosure Agreement - Revised Version

The only problem which I have with the revisions appears at page 3, Section III(e) in which there is an exemption from confidentiality if the confidential information is "ascertainable from a commercially available product; or". This was substituted for the exemption in their prior draft "is or will be incorporated in products for the disclosing party and is obvious from examination of said product".

If the information which we are to disclose at this stage is not critical in detail concerning the technology of products that we are making or will make, there is no problem.

The whole purpose of this phrase is to allow an instantaneous release of confidentiality commensurate with the introduction of the product by one party or other, rather than to be required to wait the usual reverse engineering time, which if "unobvious" may take some time to actually do.

R I suggest as a mid-point: "was ascertained from inspection of a commercially available product; or".

I enclose a retyped Agreement with page 5 changed to reflect my earlier recommendation.

Regards,

R

RMG:ce
Enclosure

cc: Bill Catron
bcc: Dave Chandler

RECEIVED
MAR 8 1983
D. CHANDLER

RECEIVED
FEB 28 1983
LAW DEPARTMENT

Draft Agreement
February 22, 1983

CONFIDENTIAL DISCLOSURE AGREEMENT

AGREEMENT made and entered into as of the ___ day of February, 1983, by and among Mattel Electronics, Inc., a _____ corporation with principal offices at 5150 Rosecrans Avenue, Hawthorne, California 90250 ("Mattel"); N.V. Philips' Gloeilampenfabrieken, a corporation of The Netherlands with principal offices in Eindhoven, The Netherlands ("N.V. Philips"); and N.A.P. Consumer Electronics Corp., a Delaware corporation with principal offices at Interstate 40 and Straw Plains Pike, Knoxville, TN 37914 ("NAPCEC").

W I T N E S S E T H:

WHEREAS, Mattel, N.V. Philips and NAPCEC each desire to determine the feasibility of entering into certain business relationships, principally with respect to Intellivision⁴/Odyssey⁴ and subsequent generations of home games/computers, the nature of which each party is cognizant; and,

WHEREAS, in order to facilitate said determination each party is willing to disclose to the other parties and to receive from the other parties on a confidential basis certain information as hereinafter defined.

NOW, THEREFORE, in consideration of these premises and the mutual covenants contained herein, each party agrees as follows:

1. Information disclosed by a party hereunder to the other two parties to facilitate making the aforementioned determination shall be deemed "Confidential Information" and shall be subject to the provisions of this Agreement if said information is: (a) in writing and marked "CONFIDENTIAL INFORMATION"; or, (b) oral, and reduced to writing, marked "CONFIDENTIAL INFORMATION" and delivered by the party disclosing said information (the "Disclosing party") to the parties receiving said information (each said party referred to as the "Receiving Party") within fifteen (15) business days after said oral disclosure.
2. The Receiving Party shall receive Confidential Information in confidence and shall for a period of three (3) years from the date of this Agreement maintain said confidence to the same extent that such party maintains the confidence of its own like information, provided, that the Receiving Party shall not during said three (3) year period: (a) disclose Confidential Information to any person other than a parent or subsidiary, and only then when reasonable to effect the purpose of disclosure hereunder and when subject to the same restrictions of confidentiality as in this Agreement; or, (b) reproduce any Confidential Information without the prior written consent of the Disclosing Party.

3. Notwithstanding anything in this Agreement to the contrary, the Receiving Party shall have no obligation of confidentiality under this Agreement with respect to any portion of Confidential Information which:

- (a) is known to the Receiving Party or to its parents, subsidiaries or affiliates, or is in the public domain at the time of disclosure;
- (b) is or becomes available to the Receiving Party or to the public from a third party not under obligation to the Disclosing Party with respect to the confidentiality of said information;
- (c) is published by the Receiving Party with the written consent of the Disclosing Party;
- (d) is published by the Disclosing Party;
- (e) is or will be incorporated into products of the disclosing party and is obvious from an examination of said products; or
- (f) is given by the Disclosing Party to a person who is not a party to this Agreement, without at least substantively the same restrictions of confidentiality that are recited in this Agreement.

4. This Agreement does not confer upon any party hereto right or license under any patent, know-how or copyright that any of the other parties may now or hereafter hold.
5. Confidential Information shall be used by the Receiving Party exclusively for the purposes of determining the feasibility of the aforementioned business arrangement.
6. Written Confidential Information and all copies thereof, if any, shall be returned promptly by the Receiving Party to the Disclosing party: (a) upon the written request of the Disclosing Party; or (b) in the event that discussions or negotiations among the parties relating to the aforementioned business arrangements are terminated; provided, however, that the Receiving Party may, upon written notice to the Disclosing Party retain a copy of said Confidential Information within its corporate law department, for the exclusive purpose of assuring compliance by the Receiving Party with its obligations under this Agreement, until said three (3) year period expires, whereupon said retained copy shall be returned to the Disclosing Party.
7. For the purposes of this Agreement, disclosure of Confidential Information by a party hereunder to a parent, affiliate or subsidiary of any other party hereunder, shall be deemed to have been made to the party whose parent, affiliate or subsidiary it is.

This Agreement contains the entire understandings of the parties with regard to the subject hereof, is personal to the parties hereto and is not assignable in whole or in part. This Agreement may be modified only in writing signed by the party to be charged, and shall be interpreted in accordance with and governed by laws of the State of New York.

8. The party receiving such information shall disclose it only to those of its employees responsible for carrying out the evaluation and only after such employees have read the terms and conditions of this Disclosure Agreement and acknowledge they are bound by it by affixing their signature to a copy of this Agreement maintained in recipient's files.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals as of the day and year first above written.

MATTEL ELECTRONICS INC.

BY: _____
President

N.V. PHILIPS' GLOEILAMPENFABRIEKEN

BY: _____
Authorized Officer

N.A.P. CONSUMER ELECTRONICS CORP.

BY: _____
President

MATTEL ELECTRONICS

DAVE CHANDLER

3-11-83

Hugh Barnes

Dane Hostetler

Larry Pumphrey

Here is your copy of the
Confidentiality agreement we
signed with Philips Wednesday,
so you can be aware of the
conditions we have agreed to
maintain.

Dane

MATTEL ELECTRONICS

DAVE CHANDLER

3-11-83

Ron Goldman

Bill Catron

Here is your copy of the
confidentiality agreement we
signed with Philips on Wednesday.
I noticed today we did not date the
document at the time we signed it.
I added the date to our copy. Is
that a problem?

I will send a copy of the
material we disclosed to them to
Tennessee and one to Holland.

Dave

MAR 4 1983

100 EAST 42 STREET
NEW YORK N Y 10017
PHONE 212 697 3600

NORTH AMERICAN PHILIPS CORPORATION

EXECUTIVE OFFICES

March 3, 1983

FEDERAL EXPRESS

Mr. Josh Denham
President
Mattel Electronics
5150 Rosecrans Avenue
Hawthorne, California 90250

Dear Josh:

The enclosed re-draft of the Confidential Disclosure Agreement contains just a few changes (underlined) suggested by N.V. Philips.

The name change reflects a new corporate structure in Holland. N.V. Philips is now a holding/policy-making unit only -- no operations. The change on Page 2 simply makes clear for N.V. Philips the voluntary nature of disclosures. Finally, the change at Paragraph 3(e) merely broadens the "boilerplate" exemption.

If you have any questions, please call. Thank you.

Sincerely,

EDWARD J. GOLDSTEIN / L.H.
Edward J. Goldstein

encl.

March 3, 1983

CONFIDENTIAL DISCLOSURE AGREEMENT

AGREEMENT made and entered into as of the 9 day of ~~February~~ ^{March}, 1983, by and among Mattel Electronics, Inc., a _____ corporation with principal offices at 5150 Rosecrans Avenue, Hawthorne, California 90250 ("Mattel"); Philips International, B.V., a corporation of The Netherlands with principal offices in Eindhoven, The Netherlands ("Philips") and N.A.P. Consumer Electronics Corp., a Delaware corporation with principal offices at Interstate 40 and Straw Plains Pike, Knoxville, TN 37914 ("NAPCEC").

W I T N E S S E T H:

WHEREAS, Mattel, [^]Philips and NAPCEC each desire to determine the feasibility of entering into certain business relationships, principally with respect to home video games/computers, the nature of which each party is cognizant; and,

WHEREAS, in order to facilitate said determination each party is willing to disclose to the other parties and to receive from the other parties on a confidential basis certain information as hereinafter defined.

NOW, THEREFORE, in consideration of these premises and the mutual covenants contained herein, each party agrees as follows:

1. Information which may be disclosed by a party hereunder to the other two parties to facilitate making the aforementioned determination shall be deemed "Confidential Information" and shall be subject to the provisions of this Agreement if said information is: (a) in writing and marked "CONFIDENTIAL INFORMATION"; or, (b) oral, and reduced to writing, marked "CONFIDENTIAL INFORMATION" and delivered by the party disclosing said information (the "Disclosing party") to the parties receiving said information (each said party referred to as the "Receiving Party") within fifteen (15) business days after said oral disclosure.
2. The Receiving Party shall receive Confidential Information in confidence and shall for a period of three (3) years from the date of this Agreement maintain said confidence to the same extent that such party maintains the confidence of its own like information, provided, that the Receiving Party shall not during said three (3) year period: (a) disclose Confidential Information to any person other than a parent, subsidiary or affiliate, and only then when reasonable to effect the purpose of disclosure hereunder and when subject to the same restrictions of confidentiality as in this Agreement; or, (b) reproduce any Confidential Information without the prior written consent of the Disclosing Party.

3. Notwithstanding anything in this Agreement to the contrary, the Receiving Party shall have no obligation of confidentiality under this Agreement with respect to any portion of Confidential Information which:

- (a) is known to the Receiving Party or to its parents, subsidiaries or affiliates, or is in the public domain at the time of disclosure;
- (b) is or becomes available to the Receiving Party or to the public from a third party not under obligation to the Disclosing Party with respect to the confidentiality of said information;
- (c) is published by the Receiving Party with the written consent of the Disclosing Party;
- (d) is published by the Disclosing Party;
- (e) was ascertained from inspection of a commercially available product; or *spe*
Ch
- (f) is given by the Disclosing Party to a person who is not a party to this Agreement, without at least substantively the same restrictions of confidentiality that are recited in this Agreement.

4. This Agreement does not confer upon any party hereto any right or license under any patent, know-how or copyright that any of the other parties may now or hereafter hold.
5. Confidential Information shall be used by the Receiving Party exclusively for the purposes of determining the feasibility of the aforementioned business relationships.
6. Written Confidential Information and all copies thereof, if any, shall be returned promptly by the Receiving Party to the Disclosing Party: (a) upon the written request of the Disclosing Party; or (b) in the event that discussions or negotiations among the parties relating to the aforementioned business arrangements are terminated; provided, however, that the Receiving Party may, upon written notice to the Disclosing Party retain a copy of said Confidential Information within its corporate law department, for the exclusive purpose of assuring compliance by the Receiving Party with its obligations under this Agreement, until said three (3) year period expires, whereupon said retained copy shall be returned to the Disclosing Party.
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This Agreement contains the entire understandings of the parties with regard to the subject hereof, is personal to the parties hereto and is not assignable in whole or in part.

This Agreement may be modified only in writing signed by the party to be charged, and shall be interpreted in accordance with and governed by laws of the State of New York.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals as of the day and year first above written.

MATTEL ELECTRONICS INC.

By: David P. Chaudley
VICE-PRESIDENT

^ PHILIPS INTERNATIONAL, B.V.

By: [Signature]
Authorized REPRESENTATIVE

N.A.P. CONSUMER ELECTRONICS CORP.

By: [Signature]
VICE-PRESIDENT

March 25, 1983

Dr. David P. Chandler,
Chief Scientist and Vice President
Strategic Development
Mattel Electronics
5150 Rosecrans Avenue
Hawthorne, CA. 90250

Dear Dr. Chandler:

Please consider the attached copies of information which we discussed at our meeting March 9, 1983, as confidential within the terms of our agreement. The subject matter covers system architecture and interfaces of Odyssey 4 and proprietary information regarding Motorola's RMS (Raster Memory System).

As we mentioned to you during the meeting, we had obtained from Motorola their permission to discuss some of the parameters of the RMS with you on the condition that it would not be disseminated further.

Thank you for your hospitality during our visit. I look forward to our next meeting.

Regards,

N.A.P. CONSUMER ELECTRONICS CORP.



E. Lubchenko,
Vice President
New Products & Systems Engineering

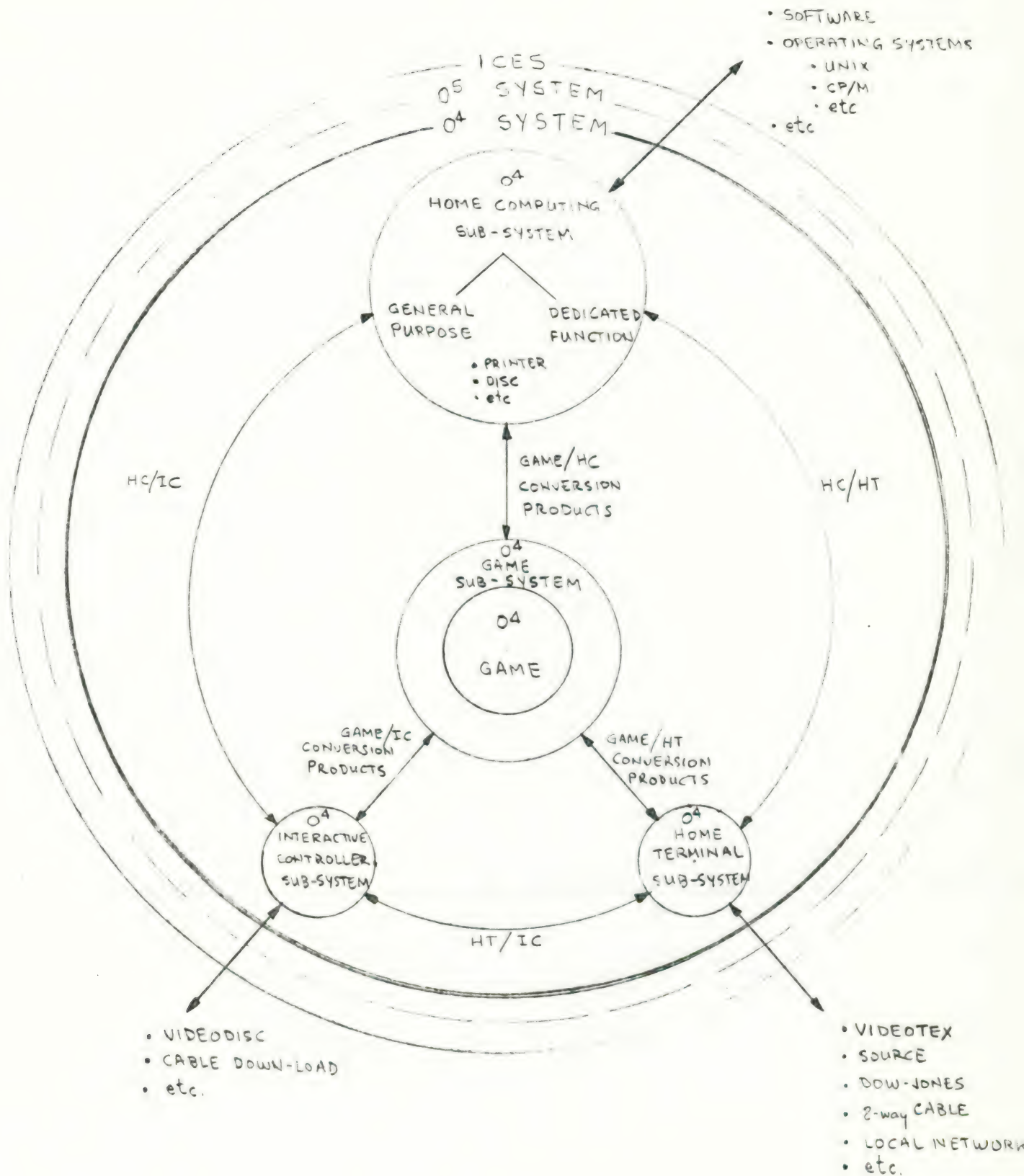
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Attachment

cc: E. Goldstein - NAPC

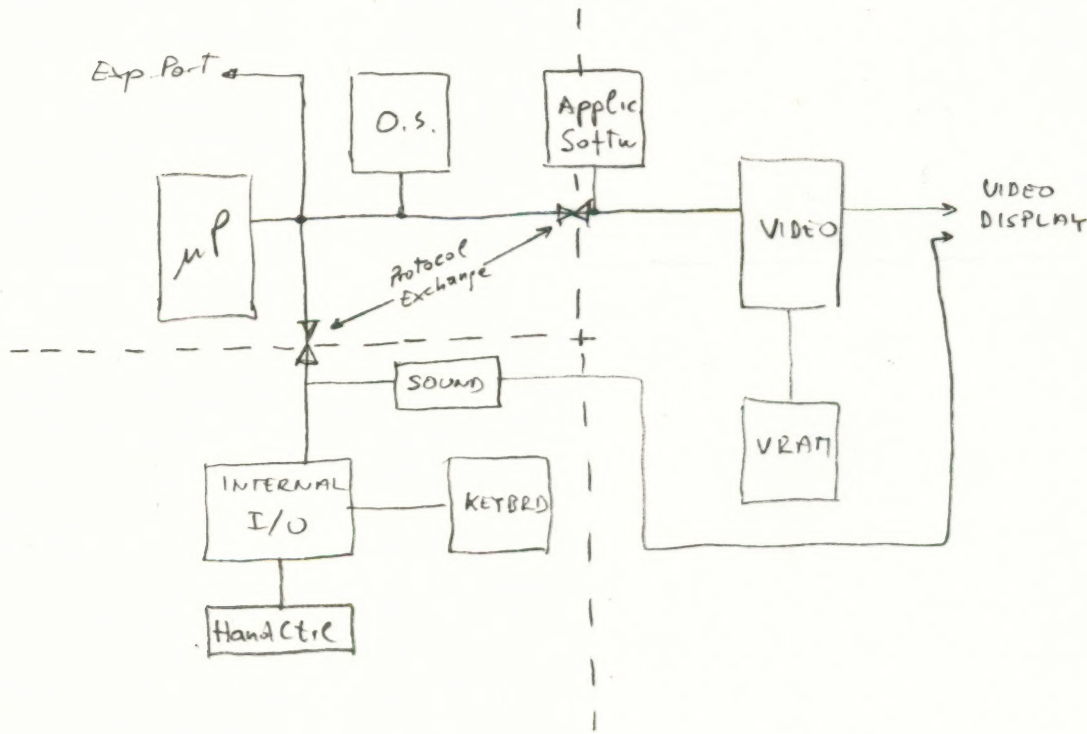
RECEIVED
APR 6 1983
B. Lubchenko

04 SYSTEM INTERFACES



The Odyssey 4 system was presented to Mattel in the following terms:

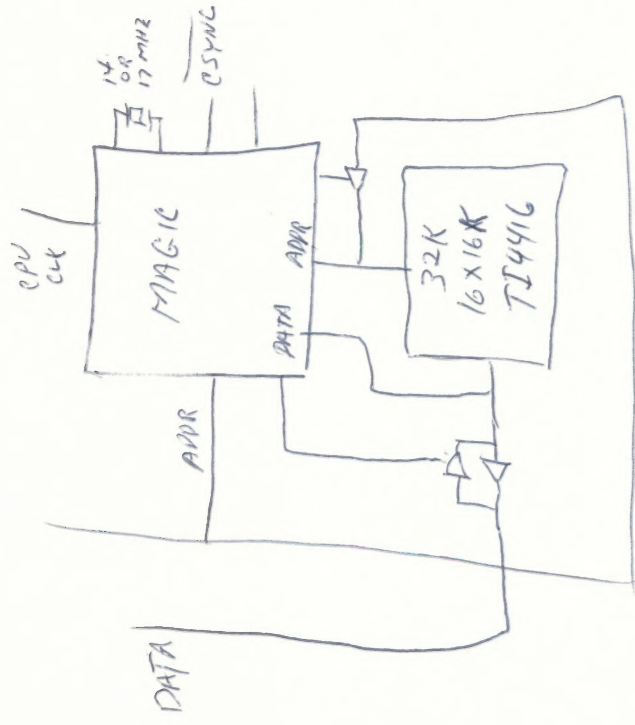
System Architecture: a block diagram with the major blocks and their grouping forming the 3 sections of the system



Video System Features

- 2 chip system with true NTSC and PAL synchronization (clock $10 \times f_{sc}$ NTSC or $8 \times f_{sc}$ PAL)
- supports 1 Mbyte memory
- programmable horizontal (256, 320 → 640) and vertical (200, 240, 400, 480) resolution
- programmable # of characters/line 32 → 80 in steps
- character size 8x10
- 2 → 16 color/character (upto resolution of 320 H)
- 32 (12 bit) color palette
- 8 moving objects bit mapped or run length encoded, 31 lines high
- 4 color/object
- Bit map mode
- Collision detection and priority levels
- Horizontal + Vertical Scrolling
- Interrupts (3 types, status register)
- Analog RGB output

HATCH 1 16KX4



240x192
24L x 40 LR
6W x 8H
4 COLORS / CARD
16 COLORS / PALLET
8 MP.
16 x 16 PELS
REUSABLE
3/4 COLORS
BIT MAP

256/500 → 640 x 500

Resolution 64 x 64
Char/lin 32 - 40 - 64 - 80
Card 8 x 10

Color pallet 32 (12 bit)
Bit map - Run Length Encoding (32 bit is for interrupt)
2 chip system
support 1 MByte of memory

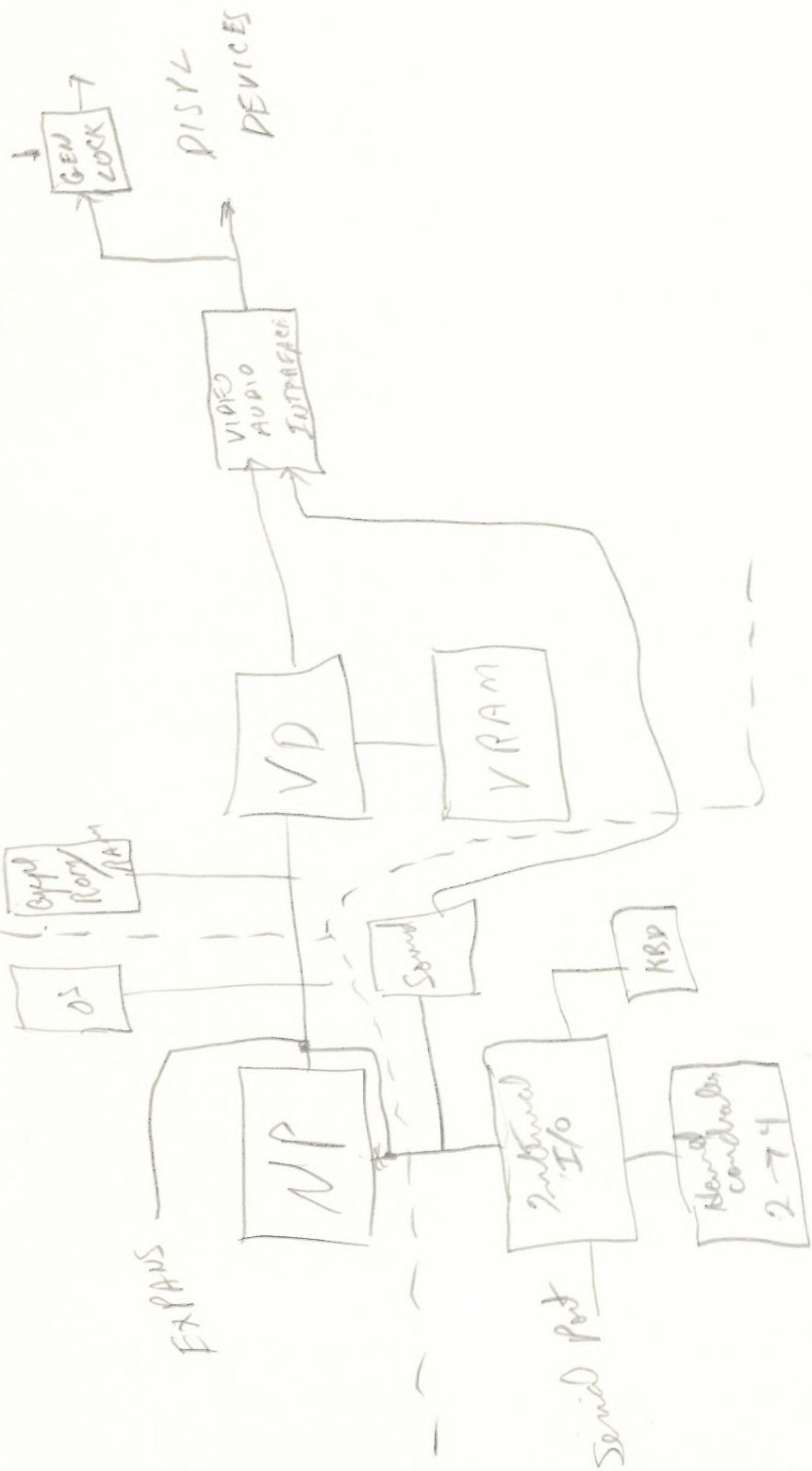
BIT MAP

Clock 10 x 7.5
CPU 7.9 MHz.

analog RGB output

Expansion of Color Computer

RMS (VMS)



(1) Paragraph 3(e) revised to read:

(e) was ascertained from inspection of a commercially available product; or

(2) Possible paragraph 8:

Employees of the Receiving Party who receive Confidential Information hereunder shall indicate acceptance to the terms hereof by signing a copy of this Agreement.

BILL STREETER - TARRYTOWN, N.Y.
914-332-0222

Cheryl Vernon 5206

~~V.P.~~ Vice President

Authorized representative

Vice President